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SILVER STANDARD MINES LIMITED
(Non-Personal Liability)

TWENTY-SECOND ANNUAL REPORT

1969

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

DIRECTORS

Ridgeway W. Wilson, P.Eng.	- - - - -	Vancouver, B.C.
Donald M. Clark, Q.C.	- - - - -	Vancouver, B.C.
Keith A. Wilson	- - - - -	Vancouver, B.C.
Colin Campbell	- - - - -	Vancouver, B.C.
Harry B. Gilleland	- - - - -	Vancouver, B.C.
John W. Stewart, P.Eng.	- - - - -	Vancouver, B.C.
Leonard G. White, P.Eng.	- - - - -	Vancouver, B.C.
E. Cecil Roper, P.Eng.	- - - - -	Vancouver, B.C.
Norman B. Keevil, Jr., P.Eng.	- - - - -	Toronto, Ont.

OFFICERS

President & Chief Executive Officer	- - - - -	Ridgeway W. Wilson
Executive Vice-President	- - - - -	Alexander C. Ritchie
Secretary-Treasurer	- - - - -	Robert H. Rayner

Transfer Agents and Registrars

THE CANADA TRUST COMPANY

901 West Pender Street
Vancouver, B.C.

110 Yonge Street
Toronto, Ont.

Head Office of the Company

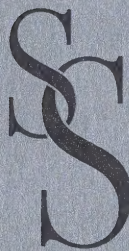
808 - 602 West Hastings Street
Vancouver 2, B.C.

Auditors

Frederick Field & Co.
Vancouver, B.C.

AR21

808 - 602 WEST HASTINGS STREET
VANCOUVER 2, B.C.

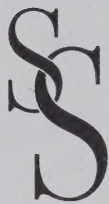


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SILVER

STANDARD
MINES

SEMI-ANNUAL REPORT

November 14, 1969



SILVER STANDARD MIN

Non-Personal Liability

SEMI-ANNUAL REPORT

November 14, 1969

To the Shareholders:

I am happy to report the preliminary results of recent work carried out on the more advanced of Silver Standard's many mine exploration projects.

In Northwestern British Columbia, Hecla Operating Company continued its drill program at the copper-molybdenum property of Liard Copper Mines. Two drills were employed in drilling a total of 13,334 feet in seven long holes. In addition, two holes were drilled on the Paramount Mining Company ground which adjoins Liard on the north. Silver Standard participates in the Paramount drilling by virtue of the agreement between Hecla and our associate company, Liard Copper Mines. Two very important holes drilled on what appears to be the main mineralized zone at Liard confirmed its strike continuity for at least 2500 feet. The more southerly of the two holes, No. 45, produced a particularly fine intersection - 1160 feet of core assayed 0.60 percent copper and 0.024 percent molybdenite, with additional values in gold and silver. One of the Paramount holes intersected 380 feet that assayed 0.43 percent copper and 0.079 percent molybdenite. This intersection included 70 feet of well mineralized breccia that assayed 1.16 percent copper equivalent. Discovery of the breccia zone on Paramount ground is considered to be of great significance, for this same breccia has been cut by several holes 3000 feet to the south on the Liard property. The implication is that the breccia, the grade of which is approximately double that of the other zones, may now be traced through the untested intervening Liard ground. Although an accurate calculation of ore reserves must await completion of fill-in drilling, in the opinion of Silver Standard engineers there is present on the Liard property several hundreds of millions of tons having a grade that is considered economic in large-tonnage open-pit mining operations.

Silver Standard was again active in Central British Columbia. The Sweeney Syndicate, Silver Standard and American Smelting & Refining, continued its program of grass-roots exploration. The same companies are equal partners in exploring the Ox Lake copper-molybdenum deposit, and this year a further 11,100 feet was drilled in 24 holes. The scope of next year's program will be determined after the results of the 1969 work have been assessed. A preliminary estimate points to approximately 30 million tons of near ore-grade material indicated by the drilling to date.

A geochemical survey was carried out at the silver prospect west of Smithers, B.C. To satisfy the terms of the option agreement with the owners, the agreement has been transferred to a subsidiary company, Virginia Silver Mines Ltd. Continuation of the surface drill program has been recommended but awaits some further improvement in the silver price and a more favorable climate for financing.

Also in the central portion of our province, a Silver Standard subsidiary company, Dorita Silver Mines, is exploring 340 claims at Goosly Lake, south of Houston, B.C. Persistent rumours indicate that Kennco has a silver-copper find on the adjoining ground and suggest the Goosly Lake area will create a lot of excitement when the discovery is confirmed. On the Dorita ground our geologists have mapped some of the favorable Hazelton host rocks, and in an area of heavy overburden we have outlined a broad geochemical anomaly which indicates the presence of silver-copper mineralization. The results of the Dorita work are sufficiently encouraging to warrant a test of the bedrock and a drill program is being considered.

In Southern British Columbia, Silver Standard is a major shareholder of Silmonac Mines. At the property near New Denver, B.C. drifting and diamond drilling are extending a section of the

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lode which contains good grade silver-lead-zinc mineralization. It is premature to estimate an ore reserve. Ore-grade mineralization has been opened up now for a length in excess of 400 feet, development ore is being stockpiled, and an ore bin and snow shed have been constructed in preparation for winter operation. The situation at Silmonac is unique in that it will be a relatively simple and inexpensive step to go into production employing the concentrator that is available to Silmonac only two miles from the property.

During the exploration season Silver Standard acquired numerous other mineral properties and has completed varying amounts of work in their initial assessment. Of these, some were abandoned after preliminary work showed they had little potential. Other properties have shown definite promise and will be subjected to further programs of work. Your company is currently drilling a new copper prospect in the Cariboo District.

The current year has been notable because of the financing agreement negotiated this summer with Teck Corporation. As announced at the time of our Annual Meeting, Teck will provide a minimum of \$1,000,000 for Silver Standard's exploration projects over a two-year period. These monies will be available for developing Silver Standard properties and Silver Standard will double its exploration budget. Teck Corporation has demonstrated that it intends to expand its activities in British Columbia. Silver Standard will maintain a close association with Teck that will result in important future successes for both companies.

On behalf of the Board of Directors,

"R. W. WILSON"
President

SILVER STANDARD MINES LTD.

(NON-PERSONAL LIABILITY)

COMPARATIVE INTERIM FINANCIAL STATEMENTS

for six months ending September 30, 1969 & 1968

SOURCE & APPLICATION OF FUNDS

SOURCE OF FUNDS:	1969	1968
Sale of Treasury shares	\$735,000	\$ 31,350
Interest Income	33,793	29,940
Royalty Income	666	7,609
Management Income	87,513	49,104
Sundry Income & Equipment Rentals	12,398	9,490
Sale of Supplies and Equipment	—	2,231
Jedway Iron Ore Ltd. - Equity Payments	—	13,608
Payments received on Chattel Mortgage	8,773	7,600
Sale of Investments	705	39,255
Receipts - Uranium Joint Venture	—	50,000
Recovered Advances - Associated Companies	72,307	—
Interest Payable re Jedway (transferred from current liabilities)	4,382	—
	<u>\$955,537</u>	<u>\$240,187</u>
APPLICATION OF FUNDS:		
Operating Expense	\$104,292	\$ 83,199
General Exploration	12,359	13,379
Mining Properties - Exploration & Dev't.	90,078	126,770
Equipment Purchases	12,231	3,697
Advances to Associated Companies	85,549	74,011
Participation in Uranium Exploration	—	10,000
Shares of Associated Companies	139,460	—
	<u>\$443,969</u>	<u>\$311,056</u>
Increase/(Decrease) in Working Capital	<u>\$511,568</u>	<u>\$(70,869)</u>

OPERATIONS

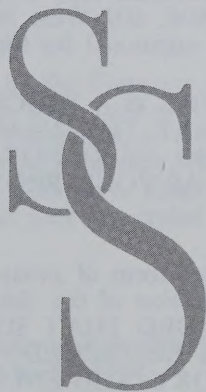
INCOME:		
Interest Income	\$ 33,793	\$ 29,940
Royalty Income	666	7,609
Management & Engineering Services	87,513	49,103
Rental Income	11,721	9,490
	<u>\$133,693</u>	<u>\$ 96,142</u>
EXPENSES:		
Operating Costs	\$104,292	\$ 83,199
General Exploration	12,359	13,378
	<u>\$116,651</u>	<u>\$ 96,577</u>
NET INCOME/(LOSS)	<u>\$ 17,042</u>	<u>\$ (435)</u>

- NOTE:** 1. No depreciation included in operating costs.
2. No income taxes are payable.
3. The above figures are subject to audit and year-end adjustment.
4. Teck Corporation has expended \$117,346 on the Company's properties, for which it is entitled to take treasury shares on the basis of one share for each \$2.50 expended.

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SILVER STANDARD MINES LIMITED

(NON-PERSONAL LIABILITY)



INFORMATION CIRCULAR

SUITE 808 - 602 WEST HASTINGS STREET, VANCOUVER 2, BRITISH COLUMBIA

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

INFORMATION CIRCULAR

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by the Management of Silver Standard Mines Limited (N.P.L.) (hereinafter sometimes called the "Company") of proxies to be used at the Annual General Meeting of Shareholders of the Company to be held on Wednesday, August 20th, 1969 for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees or directors of the Company. The cost of solicitation by Management will be borne by the Company.

Appointment and Revocation of Proxies

A form of proxy is attached to the Notice of the Annual General Meeting which accompanies this Information Circular. The proxy may be revoked by instrument in writing, executed by the member or by his attorney authorized in writing, or, if the member is a corporation, under its common seal or by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such Meeting on the day of the Meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

In order to be valid, the instrument of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company, Suite 808, 602 West Hastings Street, Vancouver 2, British Columbia, not later than one hour before the time appointed for the Meeting and in default the instrument of proxy shall not be treated as valid.

YOU WILL NOTE THAT THERE IS A SPACE PROVIDED IN THE INSTRUMENT OF PROXY WHEREIN YOU MAY INSERT THE NAME OF SOMEONE OTHER THAN THOSE NAMED IN THE INSTRUMENT WHO NEED NOT BE A SHAREHOLDER AND WHO MAY ATTEND THE MEETING AND ACT AS YOUR PROXY TO VOTE YOUR SHARES.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. IN THE ABSENCE OF SUCH DIRECTION, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTIONS NUMBERED 1 TO 5 IN THE NOTICE OF MEETING AND 1 TO 5 IN THE MANAGEMENT PROXY. THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING, AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. At the time of printing this Circular, the Management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Voting Shares

As at July 14, 1969 there were 4,710,414 Common shares of the Company issued and outstanding. There is no other class of shares. The holders of shares issued and outstanding at the date of the Annual General Meeting are entitled to one vote for each share held. Doherty Roadhouse & McCuaig Bros., Toronto, hold 807,597 shares and Transhare Co., Vancouver, holds 569,894 shares. No other person or corporation beneficially owns, directly or indirectly, more than Ten Per Cent (10%) of the shares of the Company.

Election of Directors

Directors elected at the Annual General Meeting hold office until the following Annual General Meeting or until their successors are duly elected. Eight directors are to be elected and management proposes to nominate the present board with the exception of C. D. Campbell, who has indicated his desire to retire, and to invite further nominations for directors from the floor. It is the intention of management to vote the shares represented by the enclosed instrument of proxy for the election of R. W. Wilson, D. M. Clark, K. A. Wilson, H. B. Gilleland, L. G. White, J. W. Stewart, E. C. Roper and N. B. Keevil, Jr., unless contrary instructions are shown on the instrument of proxy.

All the Directors named below were elected by the Shareholders at the last Annual General Meeting except for Dr. Norman B. Keevil, Jr., who was appointed by the Board of Directors on July 8, 1969.

Name and Office (if any)	Principal Occupation for last 5 years	Year First Became a Director	Shares Beneficially Owned as of March 31, 1969
R. W. Wilson, P.Eng., President and Director	Mining Engineer	1947	5,501
C. D. Campbell, Director	Investment Broker	1948	3,100
D. M. Clark, Q.C., Director	Solicitor	1948	1,001
K. A. Wilson, Director	Executive	1953	2,351
H. B. Gilleland, Director	Mine Manager	1960	1,000
L. G. White, P.Eng., Director	Mining Engineer	1964	1
J. W. Stewart, P.Eng., Director	Mining Engineer	1961	1
E. C. Roper, P.Eng., Director	Principal of B.C. Inst. of Technology and Business Consultant	1967	2,000
N. B. Keevil, Jr., M.Sc., Ph.D., P.Eng., Director	Mining Engineer	1969	1,000
A. C. Ritchie, P.Eng., Executive Vice-President	Mining Engineer		8,000
W. St. C. Dunn, P.Eng., Supt. of Exploration	Mining Engineer		3,500
N. W. Burmeister, P.Eng., Geologist	Geological Engineer		
R. H. Rayner, Secretary-Treasurer	Secretary-Treasurer		500

Remuneration of Directors and Officers

The aggregate direct remuneration paid by the Company to senior officers and directors during the last fiscal year was \$98,788. No amounts have been paid or are proposed to be paid by the Company with respect to pension benefits in the event of retirement at normal retirement age or pursuant to any existing plan or arrangement to or for any directors as such. An approved pension plan is in effect for senior officers and permanent employees of the Company. Employees stock options were exercised on 97,500 shares at 66c per share during the fiscal year last ended leaving 52,500 option shares which must be exercised prior to December 30 of 1970.

Appointment of Auditors

It is intended to vote for the re-appointment of Frederick Field and Co. who were first appointed auditors of the Company on the 21st day of March, 1948.

Acquisition of Shares in Other Corporations

It is intended to vote in favour of a Resolution continuing the authority granted to the directors at the previous Annual General Meeting to acquire for the Company by purchase or otherwise shares and securities in any other corporation if deemed to be in the best interests of the Company. The authority created by this Resolution will expire at the next Annual General Meeting unless it is then continued by an ordinary Resolution. Management deems such authority necessary since the Company is a party to a number of exploration and option agreements which provide that in the event of the transfer of mineral claims or mining properties to a corporation formed for the purpose of acquiring and developing same, the Company will be entitled to receive shares in such corporation issued in consideration for the transfer. The Company also presently holds shares in a number of other corporations as appears in the financial statements enclosed herewith and it may be deemed advantageous to the Company from time to time to participate in further financing of these and other corporations by the purchase of shares or other securities thereof.

Further and Other Business

In the event that any further or other business may properly be brought before the meeting it is intended to vote on such businesses in such manner as is then considered to be proper and in the best interests of the Company and its shareholders.

DATED at Vancouver, British Columbia this 1st day of August, 1969.

R. H. RAYNER,
Secretary.

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

July 18, 1969

To the Shareholders
Silver Standard Mines Limited (N.P.L.)

It is a pleasure to submit the 22nd Annual Report of your company. The past year has been an exceedingly active one in which Silver Standard has participated in important new property acquisitions and several properties have made good progress towards production. Of greatest significance, your company has concluded an agreement with Teck Corporation Ltd. that assures a continuing source of funds, with all the additional benefits accruing from an association with a vital and rapidly expanding group of mining companies. The principal terms of the Teck-Silver Standard agreement are set out elsewhere in this report.

Teck Corporation is an independent Canadian mining and oil company, listed on the Vancouver, Toronto, and Canadian Stock Exchanges. Its many associated companies are substantial producers of oil and gas, gold, copper, zinc, and silver. Other associated companies in the group are devoted to exploration and development within the natural resource industries. Teck Corporation has been active in the petroleum industry in Western Canada and the Northwest Territories, although its mining activities have been confined largely to Eastern Canada. Through its participation in Silver Standard, it is now Teck's stated intention to intensify greatly its efforts in mine exploration and development in the West.

The arrangement that has been negotiated with Teck Corporation will enable Silver Standard to double its exploration budget. When it is considered that we have had above-average success in the past, it must be concluded that the additional effort will bear fruit. The participation by Teck in your company will also provide a source of development funds, with the important result that Silver Standard will retain a greater proportion of the equity as properties are developed to production. When the production stage is attained, Silver Standard will benefit from the association of a company that has a large technical staff heavily oriented towards production. Norman B. Keevil, Jr., M.Sc., Ph.D., P.Eng., Vice-President of Teck Corporation, has been appointed to the Silver Standard Board of Directors.

The Financial Statements which form part of this report reflect a considerable increase in activity during the fiscal year ending March 31, 1969. Several projects had advanced to the stage where the expenditure of rather large amounts of money was warranted. In November of 1968 a very successful Rights Offering to shareholders was 95 percent subscribed and \$473,455 was placed in the Silver Standard treasury. Working capital increased during the year by \$94,563 and at March 31 was \$371,310. Subsequent to the year-end, an underwriting has placed a further \$735,000 in the Silver Standard treasury.

The report of the Superintendent of Exploration outlines in some detail results of the work that was accomplished during the past fiscal year and indicates the scope of this year's work. Several important projects are being carried out in Central British Columbia. Thus, during the year a parcel of land was purchased at Smithers and a residence, office building, and warehouse were erected to serve as an operational base.

After showing much initial promise, the high grade silver vein at our property west of Smithers terminated abruptly as we followed the structure north. Subsequently, the surface drill was moved to the southern extension of the vein and obtained three good intersections before work was suspended. The property has considerable potential as a small to medium tonnage silver producer and our consulting geologist has recommended a further substantial program. This work will be undertaken when the time is appropriate. The agreement with the owners of the property requires a new company to be formed prior to January 1, 1970. Accordingly, the option has been transferred to a subsidiary company, Virginia Silver Mines Ltd.

Silver Standard and American Smelting & Refining Company are equal partners in the Sweeney Syndicate, a continuing exploration venture in Central B.C. Late in August, Sweeney Syndicate prospectors made an important new copper-molybdenum discovery at Ox Lake, a small body of water south of Tahtsa Reach. Drilling last fall indicated a substantial tonnage of near ore-grade mineralization. This year the program calls for a further 6000 feet to confirm and extend the known mineralization and 4000 feet of exploratory drilling within the favourable hornfels band.

Of greatest potential importance to your company is the drill program being conducted by Hecla Operating Company at Liard Copper Mines. Last year, Hecla pulled several good drill holes that have enhanced the ore potential considerably. This year Hecla has taken in a second drill, and should results be comparable to those obtained last year, chances of making a very large mine at Liard Copper will have to be considered good. Hecla will also do some work on the ground of Paramount Mining Company which adjoins Liard on the north. Liard Copper Mines, and indirectly Silver Standard, will participate in this program by virtue of certain terms of the Hecla-Liard agreement.

During the past few weeks Silver Standard has been instrumental in reorganizing the associate company, Sil-Van Mines Ltd. To avoid any confusion, the name has been changed to Dorita Silver Mines Ltd., and initially Silver Standard will have 45 percent of the issued shares. Silver Standard has vended to Dorita Silver a large group of claims at Goosly Lake, south of Houston, B.C., and a lease on the silver-lead-zinc property of Ingenika Mines Ltd.

In February of this year the Silver Standard exploration staff, together with a group of local prospectors, staked a promising new asbestos discovery in Alaska. Subsequently, Cassiar Asbestos Corporation optioned the interests of the prospectors and Silver Standard and Cassiar are now equal partners. The property will be fully assessed when clarification has been made of the effect of Public Land Order 4582 on the exploration and development of an asbestos mine in Alaska.

Your company still looks forward to the day our government sees fit to complete the construction of access roads into the Stikine and Iskut River areas. Introduction of surface transportation would greatly enhance the Nickel Mountain Mines property and signal the start of several large programs at our various Stikine claim groups.

Recent developments throughout our province, ^{make} it apparent that British Columbia is on the verge of becoming one of the great producing areas of copper and molybdenum in the world. Several very large deposits are a year or two from production. Others, some of which are not well known to the public, under a favorable mining climate will definitely make large-tonnage mining operations. A copper smelter, not necessarily the conventional type, is inevitable. Silver Standard Mines now has the finances and the know-how and is in a good position to participate in the boom. British Columbia and Canada are not so affluent that our governments can afford to pass up the opportunity for vast mining expansion. It is to be hoped that short-sighted government policy will not remove any of the incentives that now make expansion both attractive and possible.

The Board of Directors gratefully acknowledge the fine effort put forth by the entire staff during the past year.

On behalf of the Board of Directors,

W.
R. L. WILSON
President

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

HIGHLIGHTS OF SILVER STANDARD - TECK CORPORATION AGREEMENT

Under the terms of the agreement Teck will incur prospecting, exploration and development expenses in the amount of \$1,000,000 over the next two years for the sole benefit of Silver Standard Mines. During the remainder of the five-year term of the agreement, the benefit to Silver Standard is dependent on the extent to which the Teck options are exercised.

Teck Corporation will provide \$500,000 in 1969 for Silver Standard's exploration and development projects. In return, Teck will have the option to take down shares of Silver Standard at \$2.50 per share. In 1970 Teck is also committed to expend \$500,000 on Silver Standard's exploration and development projects. Teck may take shares at the average market price for the preceding ninety days less the discount allowed by the Vancouver Stock Exchange. In each of the years 1971, 1972, and 1973, Teck Corporation at its option may spend \$500,000 on Silver Standard's projects and elect to take down treasury shares at the then current market less the discount allowed in each case. Teck has undertaken to hold the shares so purchased for a minimum period of 12 months.

In addition to the provision of exploration monies referred to above, over the five-year term of the agreement Teck may supply substantially greater sums of money directly to the Silver Standard treasury by the exercise of stock purchases. In each year Teck may purchase a further 400,000 shares of Silver Standard treasury stock. The price in each case will be the average market price for the ninety days prior to the time Teck elects to make the purchase, less the allowable Vancouver Stock Exchange discount. The options on the 400,000-share lots are cumulative up to a total of 2,000,000 shares, provided that \$50,000 is committed each year for the full five-year period of the agreement. Shares purchased by Teck as part of this 2,000,000-share option will be escrowed until all the yearly commitments have been fulfilled. If in any year Teck fails to spend the \$500,000 for exploration, Silver Standard at its option may require Teck to return these shares to the treasury at cost plus interest. During the term of the agreement Teck will have first refusal on any senior financing required by Silver Standard.

Teck will nominate a director to the Silver Standard Board in 1969 and will have two representatives on the Board if it elects to commit the expenditure in 1971. The agreement contemplates no change in management or company policy. Teck will be consulted in regard to major ventures entered into by Silver Standard.

The net effect of the agreement is that Teck Corporation will acquire substantial equities in important mining properties and an association with an aggressive exploration company. For its part, Silver Standard will greatly expand its exploration effort, will have a source of funds with which to develop its properties, and will benefit from the considerable operating experience of the Teck organization.



SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

The President and Directors
Silver Standard Mines Ltd. (N.P.L.)
Vancouver, B.C.

June 21, 1969

Dear Sirs:

It is a pleasure to present this report of the expanded and aggressive activities of the exploration staff during the past year. Brief mention is also made of our plans for 1969.

NORTHERN BRITISH COLUMBIA:

1. Liard Copper Mines Ltd. — Hecla Operating Company's program in 1968 consisted of 16.7 line-miles of I.P. survey, 18 line-miles of magnetic surveys, 17,645 feet of bulldozer trenching, geological mapping over an area 7000 ft. x 8000 ft., and 13,095 feet of diamond drilling in nine holes. The deepest hole went to 2002 feet. Significant intercepts in these holes are as follows:

Hole	Intercept-Ft.	Copper-% Equivalent	Hole	Intercept-Ft.	Copper-% Equivalent
30	760	0.49	35	200	0.49
31	170	1.00	36	1672	0.52
32	1090	0.54	37	240	0.96
33	420	0.56	38	540	0.46
34	350	0.54			

(Copper equivalent = $\text{Cu} + 3 \times \text{MoS}_2$)

The holes are too widely spaced to warrant detailed ore reserve calculations. However, they are sufficiently encouraging so that Hecla has embarked on an expanded program utilizing two large drills and returning NQ core.

Hecla and Liard have also entered into a joint agreement to explore the Paramount Mining Company claims which adjoin Liard on the north.

2. Nickel Mountain Mines Ltd. — The airstrip was lengthened to 3100 feet and the road to the portal site repaired and improved.

3. Scud and Racicot Syndicates — Transportation facilities have not improved for the Galore Creek area so no work was done, or is planned, for the nine groups of claims held by these syndicates.

CENTRAL BRITISH COLUMBIA:

1. Troitsa Option — Diamond drilling was continued on this property and a total of 1500 feet was drilled in three holes. Average grade of the deposit was lower than we had hoped for, so the option to purchase was dropped.

2. Sweeney Syndicate — This syndicate, in which American Smelting & Refining Company is a partner, continued its program of grass-roots prospecting. Three claim groups were examined in detail and allowed to lapse, and three others were staked and will be explored this year. Five other groups were located this spring based on aeromagnetic anomalies on a Government Survey.

A copper-molybdenum discovery near Ox Lake, two miles south of Tahtsa Reach, was made in August, and on the basis of favourable geology a decision to diamond drill the property was made by September 1. A total of 4727 feet in 11 holes was completed and indicated probable ore-grade mineralization over an area 2000 feet by 600 feet. A much larger area of favourable geological conditions has not been tested. Two diamond drills are presently delimiting the known zone and exploring the remaining area.

As well as the drilling, other work carried out included 2.5 miles of road, 10,000 feet of bulldozer trenching, a magnetic survey, a geochemical survey and some geological mapping. In addition to the 10,000 feet of drilling this year, we are planning on a claim survey and further geochemical work and geological mapping.

3. Keweenaw Syndicate — Geochemical sampling and a magnetic survey were carried out on the one group of claims held by this syndicate. However, after an examination by Dr. R. H. Seraphim we decided the chances of success were too slim and we withdrew from the syndicate.

4. Sil-Van Lease — 2221 feet of diamond drilling in three holes tested some anomalies resulting from a Turam survey, and as nothing of interest was found the lease was allowed to lapse.

5. Moricetown Silver — The silver values on this property are in a flat-lying shear zone in argillites which have been faulted, folded, and fractured. The zone has continuity but is difficult to follow. It was trenched on surface for 550 feet and then adits were driven from the bottom of a small canyon for 550 feet. In the south adit the shear is difficult to recognize at this elevation and in the north adit, after 300 feet of drifting, the shear was found to be eroded by an old stream channel.

A total of 4300 feet of diamond drilling in 22 holes has been completed and shows the shear exists with good values below and to the south of the present south adit.

Further diamond drilling and a geochemical survey of the claim block are planned for later this year.

6. Foxy Mag Operation — Two releases of sets of aeromagnetic maps of areas between Smithers and Vanderhoof caused sizeable staking rushes early this year. We located 164 claims in 16 groups and are examining them now to find the cause of the anomalies.

Two other claim groups south of Telkwa have been optioned and will be explored this summer, one by means of an I.P. survey and detailed geochemistry.

7. Dorita Silver Mines Ltd. — The discovery of an important copper-silver prospect, near Sam Goosly Lake, by Kennco crews last fall led to our staking 315 claims in the immediate area in January and February this year. Detailed prospecting and a geochemical survey are planned for this summer.

At the Ingenika property a 3000-foot diamond drill program of short closely spaced holes is planned in the hope of blocking out a mineable amount of silver-lead-zinc ore.

SOUTHERN BRITISH COLUMBIA:

1. Silmonac Mines Ltd. — Slocan District — A new 2911-foot adit at the 4620-foot elevation has been driven to the lode and gives access to a large previously untested area. About 1000 feet of diamond drilling in nine short holes has recently found ore-grade mineralization. Openings are presently underway to make this ore available for mining and milling.

2. Richmond Group — Greenwood — To investigate earlier copper mineralization, 949 feet of diamond drilling in two holes was completed. The results were disappointing. However, there are still some geological bets on this property. The option is being kept in good standing.

3. U.S. Group — Princeton — No further work was done on this group and the option will be allowed to lapse.

4. Bonaparte Syndicate — On the recommendation of Dr. R. H. Seraphim a geologically favourable area of British Columbia is being prospected this summer. Our partner in this venture is Cities Service Minerals Corporation.

GENERAL:

Uranium Syndicate — This program covered areas in Washington, British Columbia, and the Yukon, and involved detailed reconnaissance of many Tertiary basins. Several were found to contain uranium in abnormal but still not economic amounts. One area near Vernon was staked, gridded, geologically mapped at 500 feet to the inch, and finally tested with 900 feet of percussion drilling in three holes. The syndicate has been terminated.

Many property examinations have been made in British Columbia, as well as in the United States, the Yukon, and Mexico, and this work will continue.

Our exploration staff has been expanded and other suitable personnel will be added as the tempo of our activities increases. I wish to thank the staff for their efforts and I am quite certain that some mines will come into production as a result of their work.

Respectfully submitted,

“WM. DUNN”
Superintendent of Exploration

SILVER STANDARD

(Non-Per

BALANCE SHEET

(with compara

ASSETS

CURRENT:		1969	1968
Cash		\$ 1,073	\$ 2,151
Marketable securities — at cost			
Bank - term deposits	350,000		
Bonds (market value \$21,750)	25,500		
	375,500		
Add: accrued interest	12,701	388,201	263,086
Accounts receivable		6,905	14,233
Inventory — diamond drill bits — at values estimated by the management		1,035	1,298
Prepaid expenses		1,395	1,122
TOTAL CURRENT ASSETS		398,609	281,890

OTHER ASSETS:

Deferred receivable — Queen Charlotte Iron Properties (Note 3)		50,715	
Special refundable tax receivable		1,571	1,571
Chattel mortgage receivable (Note 1)		9,449	23,177
Advances receivable — subsidiary companies			
Nickel Mountain Mines Ltd. (N.P.L.)	82,459		
Laird Copper Mines Ltd. (N.P.L.)	8,166		
Table Mountain Mines Ltd. (N.P.L.)	2,654		
Virginia Silver Mines Ltd. (N.P.L.)	197,800	291,079	74,177
Mines supplies		257	4,450
		353,071	103,375

INVESTMENTS: (Note 2)

	COMMON SHARES	PERCENT EQUITY	COST		
Table Mountain Mines Ltd. (N.P.L.) — subsidiary	35,653	51.5%	32,909		
Laird Copper Mines Ltd. (N.P.L.) — subsidiary	972,995	65.0%	13,793		
Nickel Mountain Mines Ltd. (N.P.L.) — subsidiary	901,098	69.0%	1		
Albeta Mines Ltd. (N.P.L.)	304,167	20.0%	35,792		
Carnegie Mining Corporation Ltd (N.P.L.)	25,000		2,500		
Central Nansen Mines Ltd. (N.P.L.)	31,350		1		
Climax Copper Mines Ltd. (N.P.L.)	80,750	11.5%	8,075		
Emrex Mining Ltd. (N.P.L.)	25,000		5,000		
Grassy Lake Syndicate	5 units	5.0% }	32,050		
Northlake Mines Ltd. (N.P.L.)	91,500	9.5% }			
Ingenika Mines Ltd. (N.P.L.)	50,000		1,500		
Silmonac Mines Ltd. (N.P.L.)	522,681	17.0%	84,684		
Sil-Van Mines Ltd. (N.P.L.)	1,011,389	34.0%	162,932	379,237	402,954

CAPITAL ASSETS:

Field office — Smithers, B.C. land and buildings at cost, less depreciation		22,697	
Mine equipment — at depreciated value		9,288	7,779
Queen Charlotte Iron Properties — at cost (Note 3)	407,921		
Deduct: payments received	328,750	79,171	92,779
		111,156	100,558

DEFERRED CHARGES:

	COST	WRITTEN OFF		
Organization expense	4,305		4,305	4,305
Outside exploration	1,395,617	756,359	639,258	567,806
	\$1,399,922	\$756,359	643,563	572,111
			\$1,885,636	\$1,460,888

SILVER STANDARD MINES LIMITED

(Liability)

at March 31, 1969

(figures for 1968)

LIABILITIES

CURRENT:

	1969	1968
Bank — overdraft	\$ 14,025	\$
Accounts payable	13,274	5,143
TOTAL CURRENT LIABILITIES	27,299	5,143

SHAREHOLDERS' EQUITY

SHARE CAPITAL:

Authorized			
10,000,000 common shares of 50 cents each	\$5,000,000		
Issued			
3,934,150 common shares of 50 cents each	1,967,075		
Deduct: discount on shares	48,038		
	1,919,037		
Add: 476,264 common shares issued for cash			
during year	238,132		
premium on shares issued	299,673	537,805	
4,410,414		2,456,842	
Deduct: capital deficit	525,929	1,930,913	1,393,108
		(72,576)	62,637
(DEFICIT) SURPLUS — per exhibit "A"	\$1,885,636	\$1,460,888	

Approved on behalf of the Board "R. W. Wilson", Director "H. B. Gilleland", Director

Note 1: The Chattel Mortgage Receivable covers a tractor purchased for a construction company and was repayable by February 28, 1969 at \$10.00 per hour worked with interest at 5%. Silver Standard Mines Limited has first call on the use of this equipment.

Note 2: The subsidiary companies are holding mining properties for Development and are non-operating. Market values of investments generally are not significant as the shares are either not being actively traded or are held in escrow or are subject to only light trading due to being inactive or in process of development. The company also holds 250,000 - 4% class "A" redeemable preference shares of Sil-Van Mines Limited (N.P.L.) and 130,000 stock purchase rights of Northlake Mines Ltd. (N.P.L.)

Note 3: The Queen Charlotte Iron Property was sold on April 28, 1961 in accordance with the terms of an agreement with Granby Mining Co. Ltd. for \$1,000,000.00, \$250,000.00 down payment and \$750,000.00 out of production (with 6% interest until paid), plus a royalty of 25 cents per long ton of concentrates shipped in excess of 1,000,000 long tons. The agreement was then assigned by Granby Mining Co. Ltd. to a new company "Jedway Iron Ore Ltd." with the guarantee by Granby Mining Co. Ltd. of all covenants and obligations in the agreement. Interest was received on a quarterly basis from July 1, 1962 to December 31, 1967, and the royalties of 25 cents per long ton of concentrates shipped were received up to and including the final shipment of concentrates for February, 1968, at which time mining operations ceased. Interest payments have not been received since December 31, 1967, but have been accrued in the company accounts. The company's solicitors have taken legal action to recover the quarterly interest due for the period January 1, 1968 to March 31, 1968 in the amount of \$10,263.00 which was the amount of interest owing at the time action was commenced. Jedway Iron Ore Ltd. has entered a counter claim for interest of \$245,744.63 which they allege was paid by mistake.

Note 4: During the year the authorized capital was increased from 4,500,000 common shares of 50 cents each to 10,000,000 common shares of 50 cents each.

Note 5: Employee share options to purchase 52,500 shares up to December 30, 1970 for 66 cents per share are outstanding as at March 31, 1969.

Note 6: Your company has an agreement with Wilson Mining Corporation Ltd. which grants that company options to purchase up to ten percent interest in any mining properties acquired after April 1, 1965, on a "cost" basis exercisable within five years from the date any such property is acquired, and terminating April 1, 1985.

Note 7: Your company entered into an underwriting agreement May 2, 1969, which provided for the sale of 300,000 shares at \$2.45 per share to net the company \$735,000, and granted an option on 100,000 shares at \$2.75 per share up to July 31 1969, and a further option on 100,000 shares at \$3.10 per share up to October 29, 1969.

To the members:

We have examined the Balance Sheet of Silver Standard Mines Limited (non-personal liability), as at March 31, 1969, and the surplus, profit and loss and source and application of funds statements for the year then ended and the related notes. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the company as at March 31, 1969, and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
May 26, 1969

"FREDERICK FIELD & CO."

Chartered Accountants

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

STATEMENT OF OPERATIONS

For the Year Ended March 31, 1969

(with comparative figures for 1968)

	1969	1968
REVENUE:		
Jedway Iron Ore Ltd. — interest	\$ 36,908	\$ 39,420
— royalties	4,800	31,567
Lease rental and royalties	3,535	872
Equipment rental	16,930	4,180
Investment income	26,691	20,991
	<u>88,864</u>	<u>97,030</u>
 <i>Deduct: GENERAL AND ADMINISTRATIVE EXPENSES:</i>		
Salaries — engineering and supervision	56,700	51,450
— office	22,140	20,985
Pension plan	7,618	3,169
Employee benefits	9,848	8,042
Directors' remuneration as executive officers	35,753	38,115
Directors' fees	8,000	7,333
Travelling	433	328
Field office operating	969	
Equipment repairs and maintenance	2,507	
Truck expense	399	
Transfer agent's fees	6,114	2,762
Rights offer — expenses	17,558	
Legal and audit	7,794	1,687
Annual meeting and interim reports	3,764	2,671
Dues, fees and licenses	761	1,799
Telephone and telegraph	1,901	2,160
Office rent	5,429	5,520
Office supplies	3,681	1,954
Storage fees	1,266	1,264
Insurance	1,513	1,222
Bank interest and exchange	1,586	46
General expense	1,978	1,722
	<u>197,712</u>	<u>152,229</u>
<i>Less: Management services</i>		
recovered	63,712	
charged outside exploration	<u>26,409</u>	
	<u>90,121</u>	<u>81,080</u>
	<u>107,591</u>	<u>71,149</u>
 OPERATING (LOSS) OR PROFIT	(18,727)	25,881
<i>Add: Sundry income</i>		489
Gain on sale of equipment	2,429	
Gain on sale of investments	<u>15,537</u>	
	<u>(761)</u>	<u>26,370</u>
 <i>Deduct: Exploration and development written off</i>		
current year	60,429	54,769
prior years	<u>67,553</u>	<u>104,151</u>
	<u>127,982</u>	<u>158,920</u>
Depreciation — equipment	6,470	2,771
	<u>134,452</u>	<u>161,691</u>
 NET LOSS FOR THE YEAR — to exhibit "A"	\$135,213	\$135,321

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

EARNED SURPLUS STATEMENT

For the Year Ended March 31, 1969

(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
BALANCE — at beginning of year	\$ 62,637	\$197,958
Deduct: Net loss for the year per Exhibit "B"	<u>135,213</u>	<u>135,321</u>
(DEFICIT) OR BALANCE — at end of year	<u><u>\$(72,576)</u></u>	<u><u>\$ 62,637</u></u>

Exhibit "C"

SOURCE AND APPLICATION OF FUNDS STATEMENT

For the Year Ended March 31, 1969

(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
WORKING CAPITAL - at beginning of year	<u>\$276,747</u>	<u>\$447,448</u>
SOURCE OF FUNDS:		
Operating profit before non-cash charges		25,995
Proceeds of issue of 476,264 common shares	537,805	
Sale of — mine equipment	2,429	300
— furniture and fixtures		75
— development equipment	4,258	
Received on chattel mortgage	13,727	2,805
Proceeds — sale of securities	39,255	2,110
Receipts re Queen Charlotte Iron Properties	13,608	50,992
	<u>611,082</u>	<u>82,277</u>
APPLICATION OF FUNDS:		
Operating loss		
before non-cash charges	18,727	
Purchase of field office		
land and buildings	26,262	
Purchase of equipment	4,414	886
Purchase of mine supplies	65	118
Investment — North Lake Mines Ltd.		32,500
Outside exploration	199,434	145,297
Advances to subsidiary companies	216,902	74,177
Deferred interest receivable	50,715	
	<u>516,519</u>	<u>252,978</u>
INCREASE OR (DECREASE) IN FUNDS	<u>94,563</u>	<u>(170,701)</u>
WORKING CAPITAL — at end of year	<u><u>\$371,310</u></u>	<u><u>\$276,747</u></u>

SUMMARY OF MINING PROPERTIES

Mining Property	Location	No. Claims	Principal Metals	Principal Interests
1. North Stikine	Stikine-Galore Creek	49	Copper	Scud Syndicate { Silver Standard Asarco Scurry-Rainbow
2. East Stikine	Stikine-Galore Creek	52	Copper	
3. North Scud	Stikine-Scud River	4	Copper	
4. Middle Scud	Stikine-Scud River	4	Copper	
5. South Scud	Stikine-Scud River	8	Copper	
6. Mess Creek	Stikine-Mess Creek	4	Copper	
7. Conover Creek	Stikine-Chutine River	5	Copper	Silver Standard - 95% Scurry-Rainbow
8. Doc Group	Stikine-Mount Hickman	1	Copper	
9. Copper Canyon West	Stikine-Galore Creek	10	Copper	
10. Liard Copper Mines	Stikine-Schaft Creek	285	Copper-Molybdenum	
11. Nickel Mtn. Mines	Iskut-Snippaker Creek	40	Nickel-Copper	
12. Sphaler Creek	Stikine-Sphaler Creek	58	Copper	
13. Copper Canyon	Stikine-Galore Creek	22	Copper	Racicot Syndicate { Silver Standard Keevil Group Magnum Cons.
14. Horn Group	Stikine-Galore Creek	6	Copper	
15. Sweeney Syndicate	Smithers-Houston	131	Copper	Silver Standard - 50% Asarco
16. Ox Lake Group	Houston	128	Copper	
17. Foxy Mag	Smithers-Houston	164	Copper	Silver Standard - 100%
18. Richmond Group	Greenwood	23	Copper	
19. Black Dome	Clinton-Porcupine Mtn.	4	Gold	Silver Standard - 80% Kenogamasis
20. Blue Ice	North Thompson	4	Gold	
21. Pellaire	Clinton-Taseko Lake	4	Gold	Silver Standard - 65% Wilson Mining
22. Smith Claim	Kemano	1	Gold	
23. Tide Lake	Stewart	1	Gold	Silver Standard - 100% (option)
24. Nansen Creek	Yukon Territory	6	Gold	
25. Table Mtn. Mines	Cassiar-McDame Lake	18	Gold	Silver Standard - 100%
26. Dorita Silver Mines	Houston	315	Gold	
27. Dorita Silver Mines	Smithers	67	Silver	Silver Standard - 45% (lease)
28. Dorita Silver Mines	Ingenika River	3	Silver-Lead-Zinc	
29. Silmonac Mines	Slocan	59	Silver-Lead-Zinc	Silver Standard - 17.6%
30. Rain Claims	Albani	3	Iron	
31. Virginia Silver Mines	Smithers	88	Silver-Lead	Silver Standard - 100%
32. Blue Jay	Lardeau	4	Lead-Zinc	
33. Silver Standard	Hazelton	8	Silver-Lead-Zinc	Silver Standard - 100%
34. Yankee Basin	Juneau Gold Belt (Alaska)	10	Gold	
35. K Group	Telkwa	20	Copper	Silver Standard - 90% (option)
36. Tenas Group	Telkwa	20	Copper	

LOCATION MAP OF MINING PROPERTIES
SILVER STANDARD MINES

JUNE 15, 1969

0 10 20 30 60 90 120 150 Miles

